



Rules of
**Department of Insurance,
Financial Institutions and
Professional Registration**

**Division 200—Insurance Solvency and Company Regulation
Chapter 19—Discount Medical Plans**

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**Title 20—DEPARTMENT OF
INSURANCE, FINANCIAL
INSTITUTIONS AND
PROFESSIONAL REGISTRATION**
**Division 200—Insurance Solvency and
Company Regulation**
Chapter 19—Discount Medical Plans

20 CSR 200-19.020 Scope and Definitions

PURPOSE: This rule sets out the scope of the rules in this chapter and provides definitions to aid in the interpretation of the rules in this chapter.

(1) Applicability of Rules. The rules in this chapter apply to discount medical plan organizations transacting business under sections 376.1500 to 376.1532, RSMo. The rules shall be read together with Chapter 536, RSMo.

(2) Definitions.

(A) “Director,” the director of the department;

(B) “Department,” the Department of Insurance, Financial Institutions and Professional Registration.

AUTHORITY: section 374.045, RSMo 2000 and section 376.1528, RSMo Supp. 2007. Original rule filed Nov. 1, 2007, effective June 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995 and 376.1528, RSMo 2007.*

20 CSR 200-19.050 Registration

PURPOSE: This rule implements the registration of all discount medical plan organizations doing business in this state.

(1) Registration Forms. The following form has been adopted and approved for filing with the department:

(A) The Discount Medical Plan Organization Registration form (Form DM-1), or any form which substantially comports with the specified form.

(2) Application and Fees.

(A) Initial Registration. Each “discount medical plan organization,” as that term is used in sections 376.1500 to 376.1532, RSMo, shall register with the director by:

1. Completing and filing a Form DM-1 in accordance with the instructions contained therein;

2. Payment of two hundred fifty dollar (\$250) registration fee; and

3. Demonstration of compliance with net worth requirement under rule 20 CSR 200-19.060.

(B) Renewal Registration. Each discount medical plan organization shall renew its registration between thirty (30) days prior to and the anniversary date of its initial registration by:

1. Submitting any amendments to the Form DM-1;

2. Payment of two hundred fifty dollar (\$250) annual registration fee; and

3. Demonstration of compliance with net worth requirement under rule 20 CSR 200-19.060.

(3) Copies of the Form DM-1 may be obtained from the director at the department’s office in Jefferson City, Missouri, on the department’s web site, www.insurance.mo.gov or by mailing a written request to the department at Attention: Admissions Specialist, Department of Insurance, Financial Institutions and Professional Registration, PO Box 690, Jefferson City, MO 65102.

AUTHORITY: section 374.045, RSMo 2000 and sections 376.1504 and 376.1528, RSMo Supp. 2007. Original rule filed Nov. 1, 2007, effective June 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 376.1504, RSMo 2007; and 376.1528, RSMo 2007.*

20 CSR 200-19.060 Net Worth Requirements

PURPOSE: This rule implements the requirement that discount medical plan organizations maintain a certain net worth.

(1) Requirement. Each discount medical plan organization shall maintain a net worth of no less than one hundred fifty thousand dollars (\$150,000), as required by section 376.1518, RSMo. Net worth shall be determined according to generally accepted accounting principles (GAAP).

(2) Review. The net worth requirement is ongoing and subject to review by the director through examination. Each discount medical plan organization is required to demonstrate it meets the requirement at registration and at annual renewal.

(A) Registration. Each discount medical plan organization is required at the time of registration to demonstrate that it meets the net worth requirement according to GAAP by one (1) of the following means:

1. A report of an audit by an independent

certified public accountant (CPA). Such report must include:

A. Either:

(I) The statement of profit or loss, balance sheet, and statement of cash flows of the discount medical plan organization as of a date not more than twelve (12) months prior to the date of such organization’s registration; or

(II) The consolidated statement of profit or loss, balance sheet, and statement of cash flows of the discount medical plan organization and entities affiliated with the discount medical plan as of a date not more than twelve (12) months prior to the date of such organization’s registration, as well as the consolidating worksheets that specifically show the account entries of the discount medical plan itself and which reconcile to such consolidated statement of profit or loss, balance sheet, and statement of cash flows; and

B. A statement by the independent CPA that recognizes without qualification the right of the director to rely on such report; or

2. A report of examination conducted by the director pursuant to sections 374.202 to 374.207 and 376.1506, RSMo, except that such examination will be conducted on the basis of GAAP, will review and opine on the discount medical organization’s statement of profit or loss, balance sheet, and statement of cash flows as of a date not more than twelve (12) months prior to the date of such organization’s registration.

(B) Renewal of Registration. Each discount medical plan organization is required at the time of renewal to demonstrate that it meets the net worth requirement according to GAAP by filing a statement sworn to or affirmed by two (2) or more officers of such organization, which statement consists of the statement of profit or loss, balance sheet, and statement of cash flows of the discount medical organization as of a date not more than twelve (12) months prior to the date of such organization’s renewal of registration.

(C) Five (5)-Year Report. At least once every five (5) years, each discount medical plan organization shall file with the director at the time of renewal, a report of an audit by an independent CPA or a director’s examination as provided in subsection (2)(A).

AUTHORITY: sections 374.045 and 374.202 to 374.207, RSMo 2000 and sections 376.1506 and 376.1528, RSMo Supp. 2007. Original rule filed Nov. 1, 2007, effective June 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 374.202, RSMo 1992; 374.205, RSMo 1992, amended 1997, 1999; 374.207, RSMo 1992; 376.1506, RSMo 2007; and 376.1528, RSMo 2007.*